

Minutes of the University Health Care Committee
University of Kentucky Board of Trustees
Monday, December 14, 2020

The University Health Care Committee of the Board of Trustees of the University of Kentucky met on December 14, 2020, via Zoom Webinar.

A. Meeting Opened

Barbara Young, chair of the University Health Care Committee, called the meeting to order at 3:30 p.m. Chair Young asked Leigh Bays Donald to announce the members present.

B. Roll Call

The following members of the University Health Care Committee were in attendance: Ray Daniels, Ron Geoghegan, David Melanson, Hollie Swanson and Barbara Young; Community Advisory members Britt Brockman, Robert Clay, Luther Deaton, John McNeill and Nick Nicholson.

The meeting was live-streamed to the UK HealthCare community.

C. Approval of Minutes

Chair Young stated that the minutes of the October 15, 2020 meeting had been distributed and asked for a motion. Trustee Melanson moved approval, and Trustee Daniels seconded the motion. The motion carried without dissent. (See meeting minutes on the Board of Trustees website, www.uky.edu/Trustees, under "Agenda".)

D. Executive Vice President for Health Affairs Report

Executive Vice President for Health Affairs Mark F. Newman, MD, reviewed the agenda for the meeting. Dr. Newman began his presentation by thanking The Saha Foundation for a new pledge of \$1 million to aortic research and added that Dr. Siby and Becky Saha are long time benefactors of the University of Kentucky and are great examples of the commitment of the UK HealthCare (UKHC) faculty and staff. Despite a global pandemic, the UKHC team has earned multiple awards for quality, value and safety. Dr. Newman announced that the UKHC team received year-end recognition payments for their tireless efforts and continued excellence.

Dr. Newman reported that UK HealthCare continues to see an increase in COVID-19 patients and has surged to Level Two. As discussed in previous meetings, changes are made to multiple areas with an increase to the next level. Levers and steps to support patient volumes in Level Two include: inpatient area considerations such as doubling-up in universal areas, the closure of five rooms in the main operating room, shift differentials to support staffing needs and increased coordination across teams with daily huddles. Dr. Newman stated that these changes and closures are very different than those during the beginning of the pandemic. Ambulatory clinic closures and furloughs are not part of future

plans. UKHC manages COVID-19 capacity through prioritizing transfer requests to the sickest patients throughout Kentucky.

Dr. Newman announced that as of December 1, 2020, UK HealthCare began administering monoclonal antibodies for the treatment of mild to moderate COVID-19 cases. These treatments were granted emergency use authorization by the U.S. Food and Drug Administration and not authorized for patients who are already hospitalized or require oxygen. Each treatment requires a one-hour infusion and post observation. He also announced that UK HealthCare would receive their first shipment of vaccines the following day. Distribution will follow state guidelines and be offered and administered in phases.

Dr. Newman introduced UK HealthCare's first Chief Diversity Officer Tukea Talbert, DNP, RN, CDP. Dr. Talbert will oversee all diversity, inclusion and equity efforts across the health care enterprise.

Dr. Newman presented UKHC's list of clinical service contracts to the Committee for reference. He stated that UK HealthCare's governing body is required to receive the list annually as part of regulatory and accreditation standards for UKHC.

Advisory member Dr. Britt Brockman asked Dr. Newman to explain the committees or processes that would be used to determine vaccination priority for Phase 1a. Dr. Newman stated that Phase 1a included faculty and staff with direct patient care in high risk areas, such as the COVID-19 floors and UK HealthCare Emergency Medicine. These individuals have been identified by an operational committee. Dr. Newman stated that the first shipment would only be enough to cover Phase 1a individuals but more vaccinations are expected.

UHCCR 1 UK HealthCare Scope of Services

The recommendation seeks approval of the university hospitals written scope of services provided to the Board as Exhibit 1. The University of Kentucky Governing Regulation GR II.E.2.i establishes the University Health Care Committee to serve as the governing body and authority for managing and operating the university's hospitals and to oversee the regulations and accreditation standards. The Centers for Medicare and Medicaid Services and The Joint Commission require approval per the Joint Commission Standards for Hospitals LD.01.03.01 EP 3. Chair Young asked for a motion to approve UHCCR 1. Trustee Geoghegan moved approval and Trustee Daniels seconded the motion. The motion carried without dissent.

E. UK HealthCare Compliance Update

Chief Compliance Officer R. Brett Short presented the UKHC Corporate Compliance update to the Committee. Mr. Short reviewed roles and responsibilities of the privacy, audit and compliance teams. He presented UK HealthCare's reportable breaches and stated that they are down from the prior year and trending in the right direction.

Mr. Short stated that the audit team's continued focus on new provider orientation has positively impacted the number of billing compliance issues. He reported more than 200 federal and state regulatory updates have been received since the COVID-19 pandemic began. The compliance team monitors and helps clinical areas with these changes. Mr. Short discussed high priority areas in FY21. These include but are not limited to third-party relationships, telehealth and UK HealthCare's Epic electronic health record implementation.

F. UK College of Medicine Update

UK College of Medicine Dean Robert S. DiPaola presented the University of Kentucky College of Medicine (UK COM) Update. Dean DiPaola stated that the UK COM has launched two new campus locations in the last three years and increased the total class size by 50 percent in response to the need for more physicians. Dean DiPaola reported that the first class will graduate from the Bowling Green campus next year. He stated that the UK COM has doubled their research funding in the last four years and has had a record number of grant submissions in the last year. Dean DiPaola reported that the UK COM's Basic Science and Clinical Faculty have grown to more than 1,150 full-time members. He stated that the UK COM generated \$55.7 million in state and local tax revenues and one in every 167 jobs are created and sustained by the UK COM. Dean DiPaola contributed a transdisciplinary approach to assist the UK COM to become a Top 25 College among all public medical schools in the National Institutes of Health research rankings. He introduced Stephanie White, MD as the associate dean for diversity and inclusion and stated that Dr. White has begun laying a strong foundation of inclusive initiatives and working closely with UKHC's Chief Diversity Officer Tukea Talbert, DNP.

Community Advisory member Britt Brockman, MD inquired about the retention at the Bowling Green campus and if it is known whether these students plan on going into primary care. Dean DiPaola stated that 30 students are enrolled each year and all have been retained. All of the students are from the local area and the UK COM has granted priority to Kentucky residents. Dean DiPaola conveyed that approximately 90 percent overall of the UK COM students are from Kentucky with the hope that they all stay in Kentucky to practice. Dr. Brockman asked that Dr. White update the Committee on the diversity programs and next steps. Trustee Shuffett asked if any incentives have been given to incentivize the future students to stay in the area and practice primary care. Dean DiPaola stated that they are evaluating different incentives and scholarships.

G. Graduate Medical Education Annual Institutional Review 2019-20

Senior Associate Dean for Graduate Medical Education (GME) and Accreditation Council for Graduate Medical Education (ACGME) Designated Institutional Official Katherine McKinney, MD, provided the Committee the Executive Summary of the University of Kentucky College of Medicine Education 2019-20 Annual Institutional Review. She stated that the UK College of Medicine is the sponsoring institution for all UK residency and fellowship programs accredited by the ACGME. The ACGME

requires that the sponsoring institution's GME Committee conduct an institutional review at the close of each academic year. Dr. McKinney reported the Program's status as continued accreditation with substantial compliance. She reviewed the specifics of the Executive Summary and provided GME graduate outcomes for the program.

Trustee Blonder asked for an update on the availability of residency slots and the impact of recent changes regarding the inclusion and changes to osteopathic residencies. Dr. McKinney stated there are more than enough residency spots for all medical students in the state of Kentucky. Although changes were made to osteopathic residency programs, most were converted to ACGME programs, preserving the available spots for all residents.

H. Financial Update

Key Performance Indicators

Vice President for Hospital Operations Colleen Swartz, DNP, RN and Chief Physician Executive Jay Grider, DO, discussed the operational results for FY21 October. Dr. Swartz reported discharges during FY21 August were approximately 227 under budget for the month and approximately 764 under budget for the year. She commented that pediatric discharges are being counted separately due to differences in staffing protocols. Dr. Swartz stated that due to COVID-19 precautions, the Kentucky Children's Hospital is not seeing the usual flu surge during this time of year. Dr. Swartz reported the severity of illness at UK HealthCare is very high and reflected in a high case mix index of 2.19 and an increase in length of stay. Approximately 50 treatment spaces have been lost in the emergency department to allow for social distancing and has negatively impacted emergency department cases.

Dr. Grider stated that the work relative value unit (wRVU) is a measurement unit of complexity and productivity for physicians and advanced practice providers. wRVUs in FY21 October are above budget even after being forecasted to be slightly down. He reported that ambulatory clinic visits are above budget and contributed it to the addition of telehealth as well as the desire to find innovative ways to see patients in extended hours.

Financial Performance

Senior Vice President for Health Affairs and Chief Financial Officer Craig Collins reported a net income of \$219.8 million with an operating margin of 22.8 percent, exceeding the approved revised budget \$77 million for FY21 October. Mr. Collins contributed the positive increase in revenue to a growth in the Medicaid payor mix from presumptive approvals due to the public health crisis. Pharmacy and an increase in outpatient visits also contributed to the positive variance. Trustee Shuffett asked if the closure of the five operating rooms impacted the financials. Dr. Newman stated that the operating rooms had just recently closed and had not impacted the financials yet. Community Advisory Member Dr. Brockman questioned if operating cases that may have been previously completed in the main operating rooms have been shifted to the

outpatient surgery center. Dr. Grider explained that although cases have been shifted to the outpatient center, many cases are too complex to be handled at the Lexington Surgery Center as an outpatient surgery.

FCR 13 Approval of Lease

The recommendation seeks approval to authorize the Executive Vice President for Finance and Administration to negotiate and execute a lease for UKHC's Markey Cancer Center medical oncology space. UKHC recommends leasing space located at 2195 Harrodsburg Road, Lexington, KY from the Kentucky Medical Services Foundation. The leased space will comprise approximately 10,320 square feet with an annual rent of \$327,247.20 to be funded with agency funds. Chair Young asked for a motion to recommend approval of FCR 13. Trustee Melanson moved approval, and Trustee Swanson seconded the motion. The motion carried without dissent.

FCR 14 Approval of Lease

The recommendation seeks approval to authorize the Executive Vice President for Finance and Administration to negotiate and execute a lease for UKHC General Pediatrics clinic space. UKHC recommends leasing space located at 2400 Greatstone Point, Kentucky Clinic South, Lexington, KY from the Kentucky Medical Services Foundation. The leased space will comprise approximately 15,000 square feet with an annual rent of \$447,000 to be funded with agency funds. Chair Young asked for a motion to recommend approval of FCR 14. Trustee Melanson moved approval, and Trustee Geoghegan seconded the motion. The motion carried without dissent.

FCR 15 Patient Care Facility (Fit-up Pavilion A Basement and Other Improvements – Phase I-J) Capital Project

The recommendation seeks approval to initiate the estimated \$26,000,000 capital project to fit-up approximately 13,000 square feet of available shell space; expansion of the Kitchen/Food Service Operations; construction of a Maintenance Shop for the medical center physical plant division; relocation and expansion of Supply and Distribution; rework of Central Sterile decontamination and clean work areas; and expansion of Central Sterile stores and Operating Room Materials management. The project will be funded with agency funds and the estimated increase in scope to \$639,100,000 is within the total legislative authorization of \$750,000,000. Chair Young asked for a motion to recommend approval of FCR 15. Trustee Geoghegan moved approval, and Trustee Melanson seconded the motion. The motion carried without dissent.

FCR 16 Improve Building Systems – UK HealthCare (Good Samaritan Emergency Generator Upgrade) Capital Project

The recommendation seeks approval to initiate the estimated \$1,900,000 capital project authorized by the 2020 Kentucky General Assembly to upgrade the emergency power system in the Good Samaritan Hospital facility to a level required to properly support the current load requirements. The project will add a new interior 750 kilo-volt-ampere generator and connect in parallel with the existing two. Chair Young asked for a

motion to recommend approval of FCR 16. Trustee Geoghegan moved approval, and Trustee Swanson seconded the motion. The motion carried without dissent.

FCR 17 Improve University Storage Facility (Fit-up and Other Improvements for UK HealthCare at Vaughan Warehouse) Capital Project

The recommendation seeks approval to initiate the estimated \$5,000,000 capital project authorized by the 2020 Kentucky General Assembly to replace to upgrade existing warehouse space at Vaughan Warehouse for UKHC storage needs. This project will fit-up space needed for medication, materials, medical equipment and other supplies currently being stored in temporary warehouses and position these services to better serve the needs of anticipated patient loads. Trustee Daniels moved approval, and Trustee Geoghegan seconded the motion. The motion carried without dissent.

I. Other Business and Adjournment

Chair Young called for new or other business that needed to be brought before the University Health Care Committee or questions for the presenters. Hearing no further business, the meeting was adjourned at 4:53 p.m.

Respectfully submitted,

Barbara S. Young
Chair, University Health Care Committee

(UHCCR 1, FCR 13, FCR 14, FCR 15, FCR 16 and FCR 17 are official parts of the Minutes of the meeting)